

Resolution No. 31105

A RESOLUTION providing for the sale and issuance of The City of Seattle, Washington, Municipal Light and Power Improvement and Refunding Revenue Bonds, 2008; specifying the amount, maturities, interest rates and other terms of the bonds; providing for the refunding of certain of the City's outstanding municipal light and power bonds; and ratifying, confirming and approving the notice of bond sale and the actions of the Director of Finance relating to the sale of the bonds.

Related Legislation File: _____

Date Introduced and Referred:	To: (committee):
12-10-08	Full Council
Date Re-referred:	To: (committee):
Date Re-referred:	To: (committee):
Date of Final Action:	Date Presented to Mayor:
12-10-08	—
Date Signed by Mayor:	Date Returned to City Clerk:
—	12.10.08
Published by Title Only	Date Returned Without Concurrence:
Published in Full Text	

The City of Seattle – Legislative Department

Resolution sponsored by: Conlon

Committee Action:

Date	Recommendation	Vote

This file is complete and ready for presentation to Full Council. _____

Full Council Action:

Date	Decision	Vote

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Adopted December 10, 2008

RESOLUTION 31105

A RESOLUTION providing for the sale and issuance of The City of Seattle, Washington, Municipal Light and Power Improvement and Refunding Revenue Bonds, 2008; specifying the amount, maturities, interest rates and other terms of the bonds; providing for the refunding of certain of the City's outstanding municipal light and power bonds; and ratifying, confirming and approving the notice of bond sale and the actions of the Director of Finance relating to the sale of the bonds.

WHEREAS, pursuant to Ordinance 122807, The City of Seattle, Washington (the "City") authorized the issuance of its not to exceed \$215,000,000 Municipal Light and Power Improvement Revenue Bonds to (1) pay part of the cost of carrying out the Plan of Additions for the Light System of the City; (2) provide for the Reserve Requirement; and (3) pay the costs of issuance of those bonds; and

WHEREAS, pursuant to Ordinance 115347, and Resolution 28281, as amended by Resolution 28473, Resolution 29505 and Resolution 30342 (the "1990 Refunded Bond Legislation") the City issued its Municipal Light and Power Adjustable Rate Revenue Bonds, 1990 (the "1990 Refunded Bonds"); and

WHEREAS, pursuant to Ordinance 115850, and Resolution 28473, as amended by Resolution 28985, Resolution 29505 and Resolution 30343 (the "1991A/B Refunded Bond Legislation") the City issued its Municipal Light and Power Adjustable Rate Revenue Bonds, 1991 Series A and its Municipal Light and Power Adjustable Rate Revenue Bonds, 1991, Series B (the "1991A/B Refunded Bonds"); and

WHEREAS, pursuant to Ordinance 116891, and Resolution 28827, as amended by Resolution 29505 and Resolution 30344 (the "1993 Refunded Bond Legislation") the City issued its Municipal Light and Power Adjustable Rate Revenue Bonds, 1993 (the "1993 Refunded Bonds"); and

WHEREAS, pursuant to Ordinance 118283, and Resolution 29505, as amended by Resolution 30341 (the "1996 Refunded Bond Legislation") the City issued its Municipal Light and Power Adjustable Rate Revenue Bonds, 1996 (the "1996 Refunded Bonds"); and

WHEREAS, by Ordinance 121941, as amended by Ordinance 122838 (the "Refunding Bond Ordinance"), the City authorized the issuance and sale of municipal light and power revenue bonds for the purpose, among other things, of paying all or part of the costs of refunding the City's outstanding municipal light and power revenue bonds; and

WHEREAS, the Director of Finance has recommended the issuance of \$257,375,000 of Municipal Light and Power Improvement and Refunding Bonds, 2008 (the "Bonds") to carry out the

1 purposes of Ordinance 122807 and, pursuant to Ordinance 121941, as amended by Ordinance
2 122838 to refund the 1990 Refunded Bonds, the 1991A/B Refunded Bonds, the 1993
3 Refunded Bonds and the 1996 Refunded Bonds (collectively, the "Refunded Bonds"); and

4 WHEREAS, to accomplish the refunding of the Refunded Bonds, the City desires to place in trust
5 with the Director of Finance sufficient proceeds of the Bonds, which, with other money of
6 the City, if necessary, will provide for the call, payment (both principal and interest) and
7 redemption of the Refunded Bonds on February 4, 2009 (the "Refunding Plan"); and

8 WHEREAS, Ordinance 122807 and Ordinance 121941, as amended by Ordinance 122838
9 (collectively, the Bond Ordinances"), authorized the Director of Finance to conduct a public
10 or negotiated sale of the Bonds authorized thereby and to recommend to the City Council for
11 its approval by resolution the interest rates and other terms and matters relating to the Bonds
12 consistent with the Bond Ordinances; and

13 WHEREAS, pursuant to the Bond Ordinances, a preliminary official statement dated December 2,
14 2008, for the public sale of the Bonds was prepared, an official notice of that sale (the
15 "Notice of Bond Sale") was given, bids have been received in accordance with the Notice of
16 Bond Sale, and the proposed sale of the Bonds to Merrill Lynch & Co. (the "Purchaser") has
17 been recommended to the City Council for its approval with the interest rates and other terms
18 of and matters relating to the Bonds; NOW, THEREFORE,

19 **BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE, THE**
20 **MAYOR CONCURRING, THAT:**

21 Section 1. Definitions. The meanings of capitalized terms used and not otherwise
22 defined in this resolution shall be as set forth in the Bond Ordinances.

23 Section 2. The Bonds. The Bonds shall be issued in the aggregate principal amount of
24 \$257,375,000; shall be called "The City of Seattle, Washington, Municipal Light and Power
25 Improvement and Refunding Revenue Bonds, 2008." The Bonds shall be in the denomination of
26 \$5,000 or any integral multiple thereof within a single maturity; shall be dated the date of initial
delivery; shall be registered as to both principal and interest; and shall bear interest from their date
until the Bonds bearing such interest have been paid or their payment has been duly provided for,
payable semiannually on each April 1 and December 1, commencing April 1, 2009.

The Bonds shall mature on April 1 of the following years and in the following amounts and shall bear interest as follows:

Maturity Year	Principal Amount	Interest Rate	Maturity Year	Principal Amount	Interest Rate
2009	\$ 6,360,000	4.00%	2019	\$10,020,000	5.25%
2010	9,210,000	5.00	2020	10,560,000	5.25
2011	12,680,000	5.00	2021	11,145,000	5.50
2012	13,485,000	5.00	2022	10,220,000	5.50
2013	14,500,000	5.00	2023	10,810,000	5.75
2014	15,340,000	5.00	***	***	***
2015	16,335,000	5.25	2025	23,640,000	6.00
2016	15,155,000	5.00	***	***	***
2017	10,460,000	5.00	2029	56,410,000	5.75
2018	11,045,000	5.00			

Portions of the above maturity amounts are allocated, as shown in the schedule set forth in Exhibit B, to carrying out the Refunding Plan and for the other purposes specified in this resolution. Those allocations are subject to amendment by the tax certificate for the Bonds to be executed by the Director of Finance.

Section 3. Optional Redemption. Bonds maturing on or before April 1, 2019, shall be issued without the right or option of the City to redeem those Bonds prior to their stated maturity dates. The City reserves the right and option to redeem Bonds maturing on and after April 1, 2020, prior to their stated maturity dates, at any time on and after April 1, 2019, as a whole or in part within one or more maturities to be selected by the City (in the manner specified in the Bond Ordinances), at a price of par plus accrued interest, if any, to the dated fixed for redemption.

Section 4. Mandatory Redemption. Bonds maturing in the years 2025 and 2029 are designated as Term Bonds and, if not redeemed under the optional redemption provisions set forth above or purchased in the open market under the provisions set forth in Section 7(d) of each of the

Bond Ordinances, shall be called for redemption in accordance with Section 7(b) of each of the Bond Ordinances at par plus accrued interest on April 1 in years and amounts as follows:

Term Bonds Maturing 2025

<u>Mandatory Redemption Years</u>	<u>Mandatory Redemption Amounts</u>
2024	\$11,465,000
2025 ⁽¹⁾	12,175,000

(1) maturity

Term Bonds Maturing 2029

<u>Mandatory Redemption Years</u>	<u>Mandatory Redemption Amounts</u>
2026	\$12,910,000
2027	13,675,000
2028	14,485,000
2029 ⁽¹⁾	15,340,000

(1) maturity

Section 5. Form of Bonds. The Bonds shall be substantially in the form attached hereto as Exhibit C and incorporated herein by this reference.

Section 6. Sale and Delivery of Bonds. The City finds that the sale and delivery of the Bonds to Merrill Lynch & Co. (the "Purchaser"), at the interest rates and under the conditions set forth in the Bond Ordinances, this resolution, the Notice of Bond Sale attached hereto as Exhibit D and the electronic bid of the Purchaser, a printed copy of which is attached hereto as a part of Exhibit E, is in the City's best interest and therefore approves, confirms and ratifies the award of the Bonds to the Purchaser.

Section 7. Authorization of Official Statement. The Director of Finance is hereby authorized and directed to review and approve on behalf of the City a final official statement (the "Official Statement") with respect to the Bonds, substantially in the form of the Preliminary Official Statement and supplemented or amended as he, with the approval of Bond Counsel, deems necessary or appropriate.

1 Section 8. Provisions for Satisfying Reserve Requirement. In accordance with Section
2 15(b) of Ordinance 122807, the City shall satisfy the Reserve Fund Requirement with existing
3 Qualified Insurance together with deposits into the Reserve Fund, as necessary, within five years
4 from the date of issuance of the Bonds.

5 Section 9. Use of Bond Proceeds; Refunding Plan. The principal proceeds of the Bonds
6 received by the City and, if necessary, other money of the City shall be applied as follows (the
7 amounts to be determined by the Director of Finance prior to the issuance of the Bonds): (i) an
8 amount sufficient to carry out the Refunding Plan shall be deposited immediately upon the receipt
9 thereof in a fund or account designated by the Director of Finance and held in trust to be used to
10 discharge the obligations of the City relating to the Refunded Bonds under the 1990 Refunded Bond
11 Legislation, the 1991A/B Refunded Bond Legislation, the 1993 Refunded Bond Legislation, and the
12 1996 Refunded Bond Legislation (collectively, the "Refunded Bond Legislation") pursuant to the
13 Refunding Plan; and (ii) the balance of the Bond proceeds shall be deposited in the account(s) within
14 the Light Fund as designated by the Director of Finance and shall be used to pay costs of the Plan of
15 Additions and costs of issuing the Bonds and for any other purposes described in the Bond
16 Ordinances.

17 The Refunding Plan shall be carried out, and proceeds of the Bonds shall be applied, in
18 accordance with the Bond Ordinances, the Refunded Bond Legislation, this resolution and the laws
19 of the State. Additional detail concerning the Refunded Bonds is set forth in Exhibit A, attached and
20 incorporated herein by reference.

21 Section 10. Calls for Redemption of the Refunded Bonds. In accordance with the
22 Refunded Bond Legislation, as a part of the Refunding Plan the City calls the Refunded Bonds for
23

1 redemption on the date and at the redemption price set forth in the Refunding Plan, plus accrued
2 interest to the date fixed for redemption.

3 Such call for redemption shall be irrevocable after the delivery of the Bonds to the Purchaser.

4 The proper officials of the City are authorized and directed to give or cause to be given such
5 notices as are required, at the times and in the manner required, pursuant to the Refunded Bond
6 Legislation, in order to effect the redemption prior to their maturity of the Refunded Bonds.
7

8 Section 11. City Findings With Respect to Refunding. The City finds and determines that
9 the issuance and sale of the Bonds allocable to the Refunding Plan will pay and discharge all of the
10 City's existing subordinate lien adjustable rate municipal light and power obligations, replacing
11 them with senior lien fixed rate obligations, and that the modified interest rate and debt service
12 structure will provide certainty of interest rates and will eliminate the unpredictability associated
13 with the remarketing of adjustable rate obligations in the current market environment. Accordingly,
14 the City finds and determines that the issuance and sale of the Bonds allocable to the Refunding Plan
15 is in the best interest of the City and in the public interest. In making such finding and
16 determination, the City has given consideration to the interest rates, the maturities and scheduled
17 redemptions of the Bonds and the Refunded Bonds, and the costs of issuance of the Bonds.
18

19 Section 12. City Finding as to Sufficiency of Gross Revenues. The City finds and
20 determines that the issuance and sale of the Bonds is in the best interest of the City and in the public
21 interest. In making such findings and determinations, the City has exercised due regard for the cost
22 of operation and maintenance of the Light System and to any portion of the Gross Revenues pledged
23 for the payment of any bonds, warrants or other indebtedness, and that the Gross Revenues, at the
24 rates established from time to time consistent with Section 15(d) of each of the Bond Ordinances,
25 will be sufficient, in the judgment of the City Council, to meet all expenses of operation and
26

1 maintenance of the Light System and to provide the amounts previously pledged for the payment of
2 all outstanding obligations payable out of the Gross Revenue and pledged herein for the payment of
3 the Bonds.

4 Section 13. Undertaking to Provide Continuing Disclosure. This Section constitutes the
5 written undertaking (the “Undertaking”) for the benefit of the holders of the Bonds as required by
6 paragraph (b)(5) of United States Securities and Exchange Commission (the “SEC”) Rule15c2-12
7 (the “Rule”), and pursuant to the Bond Ordinances. For purposes of this Undertaking, the term
8 “holders of the Bonds” shall have the meaning intended for such term under the Rule.
9

10 The City as an “obligated person” within the meaning of the Rule undertakes to provide or
11 cause to be provided, either directly or through a designated agent:

12 (a) To each nationally recognized municipal securities information repository designated
13 by the SEC in accordance with the Rule (each “NRMSIR”), and to a state information
14 depository, if one is established in the State of Washington and recognized by the SEC (the
15 “SID”), annual financial information and operating data regarding the Light System of the
16 type included in the Official Statement for the Bonds as follows: (i) annual financial
17 statements of the Light System, prepared in accordance with generally accepted accounting
18 principles applicable to governmental units (except as otherwise noted therein), as such
19 principles may be changed from time to time and as permitted by State law, which statements
20 will not be audited, except that if and when audited financial statements are otherwise
21 prepared and available to the City they will be provided; (ii) a statement of authorized, issued
22 and outstanding bond debt secured by Gross Revenues of the Light System; (iii) debt service
23 coverage ratios; (iv) sources of Light System power and the cost thereof; (v) general
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1 customer statistics, such as number and type of customer and power consumed, and revenues
2 by customer class; and (vi) average revenue per kWh of sales for each customer class.

3 Annual financial information, as described above, will be provided to each NRMSIR and the
4 SID, not later than the last day of the ninth month after the end of each fiscal year of the City, as
5 such fiscal year may be changed as permitted or required by State law, commencing with the City's
6 fiscal year ending December 31, 2008. The annual financial information may be provided in a single
7 or in multiple documents, and may be incorporated by reference from other documents, including
8 official statements of debt issues with respect to which the City is an obligated person as defined by
9 the Rule, which documents have been filed with each NRMSIR and the SID. If the document
10 incorporated by reference is a "final official statement" (as defined in the Rule) it must be available
11 from the Municipal Securities Rulemaking Board ("MSRB").
12

13
14 (b) To each NRMSIR or to the MSRB, and to the SID, timely notice of the occurrence of
15 any of the following events with respect to the Bonds, if material: (i) principal and interest
16 payment delinquencies; (ii) non-payment related defaults; (iii) unscheduled draws on debt
17 service reserves reflecting financial difficulties; (iv) unscheduled draws on credit
18 enhancements reflecting financial difficulties; (v) substitution of credit or liquidity providers,
19 or their failure to perform; (vi) adverse tax opinions or events affecting the tax-exempt status
20 of the Bonds; (vii) modifications to the rights of the holders of the Bonds; (viii) Bond calls
21 (other than scheduled mandatory redemptions of Term Bonds); (ix) defeasances; (x) release,
22 substitution, or sale of property securing repayment of the Bonds; and (xi) rating changes.
23

24 (c) To each NRMSIR or to the MSRB and to the SID timely notice of a failure by the
25 City to provide required annual financial information on or before the date specified in paragraph (a)
26 above.

1 This Undertaking may be amended without the consent of any holder of any Bond, any
2 broker, dealer, municipal securities dealer, participating underwriter, rating agency, NRMSIR, the
3 SID or the MSRB, under the circumstances and in the manner permitted by the Rule. The City will
4 give notice to each NRMSIR or the MSRB, and to the SID, of the substance (or provide a copy) of
5 any amendment to the Undertaking and a brief statement of the reasons for the amendment. If the
6 amendment changes the type of annual financial information to be provided, the annual financial
7 information containing the amended information will include a narrative explanation of the effect of
8 that change on the type of information being provided.
9

10 If the City fails to comply with this Undertaking, the City will proceed with due diligence to
11 cause such noncompliance to be corrected as soon as practicable after the City learns of that failure.
12 No failure by the City or other obligated person to comply with this Undertaking shall constitute a
13 default with respect to the Bonds. The sole remedy of any holder of a Bond will be to take such
14 actions as that holder deems necessary and appropriate to compel the City or other obligated person
15 to comply with this Undertaking.
16

17 This Undertaking shall inure to the benefit of the City and any holder of the Bonds, and shall
18 not inure to the benefit of or create any rights in any other person.

19 At its option, and to the extent authorized by the SEC, the City may make any filing under
20 this Undertaking by transmitting the required filing using *http://www.disclosureusa.org* (or such
21 other centralized agent as may be approved by the SEC).
22

23 Section 14. Termination of Undertaking. The City's obligations under the Undertaking
24 described in Section 13 of this resolution shall terminate upon the legal defeasance, prior
25 redemption, or payment in full of all of the then outstanding Bonds. In addition, the Undertaking, or
26 any provision thereof, will be null and void if the City (i) obtains an opinion of nationally recognized

1 bond counsel or other counsel familiar with federal securities laws to the effect that those portions of
2 the Rule which require the City to comply with the Undertaking, or any such provision, are invalid,
3 have been repealed retroactively or otherwise do not apply to the Bonds; and (ii) notifies the SID and
4 either the MSRB or each then existing NRMSIR of such termination.

5
6 Section 15. General Authorization. The Mayor and the Director of Finance and each of
7 the other appropriate officers of the City are each authorized and directed to do everything as in their
8 judgment may be necessary, appropriate or desirable in order to carry out the terms and provisions
9 of, and complete the transactions contemplated by, the Bond Ordinances and this resolution.

10 Section 16. Severability. The provisions of this resolution are declared to be separate and
11 severable. If a court of competent jurisdiction, all appeals having been exhausted or all appeal
12 periods having run, finds any provision of this resolution to be invalid or unenforceable as to any
13 person or circumstance, such offending provision shall, if feasible, be deemed to be modified to be
14 within the limits of enforceability or validity. However, if the offending provision cannot be so
15 modified, it shall be null and void with respect to the particular person or circumstance, and all other
16 provisions of this resolution in all other respects, and the offending provision with respect to all
17 other persons and all other circumstances, shall remain valid and enforceable.

18
19 Section 17. Ratification of Prior Acts. All acts taken pursuant to the authority of this
20 resolution but prior to its effective date are ratified, approved and confirmed.

21
22 Section 18. Incorporation by Reference. Each of Exhibit A, Exhibit B, Exhibit C, Exhibit
23 D and Exhibit E attached to this resolution is by this reference incorporated herein.

24 Section 19. Section Headings. Section headings in this resolution are used for
25 convenience only and shall not constitute a substantive portion of this resolution.
26

EXHIBIT A
THE REFUNDED BONDS

	Maturity	Amount (\$)	Redemption Price	Cusip Number
Adjustable Rate Revenue Bonds, 1990	11/01/2015	12,600,000	100	812642VQ6
Adjustable Rate Revenue Bonds, 1991A	05/01/2016	25,000,000	100	812642VS2
Adjustable Rate Revenue Bonds, 1991B	05/01/2011	7,000,000	100	812642VR4
Adjustable Rate Revenue Bonds, 1993	11/01/2018	12,800,000	100	812642ZY5
Adjustable Rate Revenue Bonds, 1996	06/01/2021	14,575,000	100	812642J64
Total		71,975,000		

EXHIBIT B
ALLOCATION OF BONDS

Maturity	New Money	1990	1991A	1991B	1993	1996
2009	--	\$1,495,000	--	\$2,800,000	\$1,130,000	\$ 935,000
2010	\$2,800,000	1,490,000	--	3,055,000	1,025,000	840,000
2011	5,805,000	1,605,000	\$2,175,000	1,080,000	1,130,000	885,000
2012	6,105,000	1,720,000	3,590,000	--	1,140,000	930,000
2013	6,415,000	1,835,000	4,015,000	--	1,255,000	980,000
2014	6,745,000	1,955,000	4,350,000	--	1,265,000	1,025,000
2015	7,100,000	2,080,000	4,795,000	--	1,275,000	1,085,000
2016	7,475,000	--	5,150,000	--	1,390,000	1,140,000
2017	7,860,000	--	--	--	1,405,000	1,195,000
2018	8,260,000	--	--	--	1,525,000	1,260,000
2019	8,695,000	--	--	--	--	1,325,000
2020	9,165,000	--	--	--	--	1,395,000
2021	9,670,000	--	--	--	--	1,475,000
2022	10,220,000	--	--	--	--	--
2023	10,810,000	--	--	--	--	--
2024	11,465,000	--	--	--	--	--
2025	12,175,000	--	--	--	--	--
2026	12,910,000	--	--	--	--	--
2027	13,675,000	--	--	--	--	--
2028	14,485,000	--	--	--	--	--
2029	15,340,000	--	--	--	--	--

EXHIBIT C
FORM OF BOND

No. R-_____

\$_____

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the City or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), **ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL** inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

UNITED STATES OF AMERICA

STATE OF WASHINGTON

THE CITY OF SEATTLE

MUNICIPAL LIGHT AND POWER IMPROVEMENT AND
REFUNDING REVENUE BONDS, 2008

Interest Rate:
%

Maturity Date:
April 1, 20__

CUSIP NO.:

Registered Owner: **CEDE & Co.**

Principal Amount:

DOLLARS

The CITY OF SEATTLE, WASHINGTON (the "City"), a municipal corporation of the State of Washington, for value received, promises to pay to the Registered Owner identified above on the Maturity Date identified above, the Principal Amount identified above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) thereon from the later of the date of this Bond or from the most recent interest payment date to which interest has been paid at the Interest Rate per annum set forth above, payable semiannually on each April 1 and October 1, commencing October 1, 2009, to the maturity or earlier redemption of this Bond. If this Bond is duly presented for payment and not paid on its maturity or call date, then interest shall continue to accrue at the Interest Rate identified above until this Bond, both principal and interest, is paid in full or until sufficient money for its payment in full is on deposit in the Bond Account and this Bond has been called for payment by giving notice to the Registered Owner.

Both principal of and premium, if any, and interest on this Bond are payable in lawful money of the United States of America. Principal of and premium, if any, are payable only to the Registered Owner upon presentation and surrender of this Bond at the principal office of the fiscal agency of the City (presently The Bank of New York Mellon, New York, New York) or such other paying agents as designated by the City upon notice to the Registered Owners of the Bonds (the "Bond Registrar"). Payment of each installment of interest shall be made to the Registered Owner whose name appears on the registration books of the City maintained by the Bond Registrar (the "Bond Register") at the close of business on the 15th day of the month next preceding the interest payment date (the "Record Date") and shall be paid by check or draft of the Bond Registrar mailed on the interest payment date to the Registered Owner at the address

1 appearing on the Bond Register or, when requested in writing to the Bond Registrar before the applicable Record Date
2 by the Registered Owner of \$1,000,000 or more principal amount of the Bonds by wire transfer on the interest payment
3 date. Notwithstanding the foregoing, as long as this Bond is registered in the name of Cede & Co., as nominee of The
4 Depository Trust Company ("DTC"), payment of principal, premium, if any, and interest shall be made in accordance
5 with the Letter of Representations.

6 This Bond is one of an authorized issue of bonds designated The City of Seattle, Washington, Municipal Light
7 and Power Improvement and Refunding Revenue Bonds, 2008 (the "Bonds"), aggregating \$257,375,000 in principal
8 amount, maturing on April 1 in the years 2009 through 2023, inclusive, and 2025 and 2029, of like date, tenor and effect,
9 except as to numbers, denominations, options of redemption, maturity dates and interest rates. The Bond are issued by
10 the City pursuant to Ordinance 121941, as amended, Ordinance 122807 and Resolution 31105 of the City (the "Bond
11 Legislation") for the purpose of providing all or part of the funds to pay part of the cost to (i) finance certain capital
12 improvements to and conservation programs for the Light System, (ii) refund certain of the City's outstanding Municipal
13 Light and Power bonds, and (iii) pay the costs of issuance and sale of the Bonds, all as provided in the Bond Legislation.
14 The Bonds are issued in fully registered form in the denomination of \$5,000 or any integral multiple thereof within a
15 single maturity.

16 The Bonds are special limited obligations of the City and are payable solely out of the Parity Bond Fund and, if
17 necessary, out of the Reserve Fund, into which funds the City irrevocably pledges to set aside and pay certain fixed
18 amounts out of the Gross Revenues of the Light System sufficient to pay the Bonds when due, all at the times and in the
19 manner set forth in the Bond Legislation.

20 The Gross Revenues of the Light System are pledged to make the required payments into the Parity Bond Fund
21 and the Reserve Fund, which pledge constitutes a charge upon such Gross Revenues prior and superior to all other
22 charges whatsoever, save and except reasonable charges for maintenance and operation of the Light System, and except
23 that the Bonds shall have a lien and charge upon such Gross Revenues on a parity with the lien and charge of the
24 Outstanding Parity Bonds and any Future Parity Bonds.

25 THE BONDS ARE SPECIAL AND LIMITED OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM
26 THE SOURCES IDENTIFIED HEREIN AND IN THE BOND LEGISLATION AND ARE NOT GENERAL
OBLIGATIONS OF THE CITY, THE STATE OF WASHINGTON OR ANY OTHER POLITICAL SUBDIVISION
THEREOF. THE BONDS DO NOT CONSTITUTE A LIEN OR CHARGE UPON ANY GENERAL FUND OR
UPON ANY MONEY OR OTHER PROPERTY OF THE CITY, THE STATE OR ANY OTHER POLITICAL
SUBDIVISION THEREOF NOT SPECIFICALLY PLEDGED THERETO BY THE BOND LEGISLATION.

27 Bonds maturing on or before April 1, 2018, are issued without the right or option of the City to redeem those
28 Bonds prior to their stated maturity dates. The City reserves the right and option to redeem Bonds maturing on or after
29 April 1, 2019, prior to their stated maturity dates at any time on or after April 1, 2018, as a whole or in part (within one
30 or more maturities selected by the City and randomly within a maturity in such manner as the Bond Registrar shall
determine), at a price of par plus accrued interest, if any, to the date fixed for redemption.

31 Bonds maturing in the years 2025 and 2029 are Term Bonds and, if not redeemed under the optional redemption
32 provisions set forth above or purchased in the open market under the provisions set forth below, shall be called for
33 redemption by lot (in such manner as the Bond Registrar shall determine) at par plus accrued interest on April 1 in years
34 and amounts as follows:

Term Bonds Maturing 2025

Mandatory Redemption Years

Mandatory Redemption Amounts

2024

\$11,465,000

2025⁽¹⁾

12,175,000

⁽¹⁾ maturity

Term Bonds Maturing 2029

<u>Mandatory Redemption Years</u>	<u>Mandatory Redemption Amounts</u>
2026	\$12,910,000
2027	13,675,000
2028	14,485,000
2029 ⁽¹⁾	15,340,000

⁽¹⁾ maturity

The par amount of the Term Bonds previously redeemed by call or purchased in the open market (irrespective of their actual redemption or purchase prices) shall be credited at the par amount thereof against the remaining mandatory redemption requirements as directed by the Director of Finance, or otherwise pursuant to the Bond Legislation.

Notwithstanding the foregoing, for as long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, selection of Bonds for redemption shall be given in accordance with the Letter of Representations.

Any Bond in the principal amount of greater than \$5,000 may be redeemed partially in any integral multiple of \$5,000. In such event, upon surrender of that Bond at either of the principal offices of the Bond Registrar, there shall be issued to the Registered Owner a new Bond (or Bonds, at the option of the Registered Owner), of the same maturity and interest rate in any of the denominations authorized by the Bond Legislation in the aggregate principal amount remaining unredeemed, without charge therefor.

Notice of any intended redemption of Bonds shall be sent by first-class mail, postage prepaid, not less than 30 nor more than 60 days prior to the date fixed for redemption, to the Registered Owner of each Bond to be redeemed at the address appearing on the Bond Register at the time the Bond Registrar prepares the notice, and this requirements shall be deemed to be complied with when notice is so mailed, whether or not it is actually received by the owner of any Bond. If such notice has been given, this Bond will cease to bear interest on the date fixed for redemption, provided that funds sufficient to pay all Bonds called for redemption are on deposit with the Bond Registrar on such date, and this Bond shall no longer be deemed outstanding. In addition, the redemption notice shall be mailed within the same period, postage prepaid, to Moody's Investors Service, Inc., and Standard & Poor's Ratings Services, a Division of The McGraw-Hill Companies, Inc., at their offices in New York, New York, or their successors, to each NRMSIR or the MSRB and to such other persons and with such additional information as the Director of Finance shall determine, but these additional mailings shall not be a condition precedent to the redemption of such Bonds. Notwithstanding the foregoing, for so long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, notice of redemption shall be given in accordance with the Letter of Representations.

The City has further reserved the right and option to purchase any or all of the Bonds in the open market at any time at a price acceptable to the City plus accrued interest to the date of such purchase. Bonds so purchased shall be retired and canceled.

Reference is made to the Bond Legislation for other covenants and declarations of the City and other terms and conditions upon which this Bond has been issued, which terms and conditions, including, but not limited to, terms pertaining to defeasance, are made a part hereof by this reference. Reference also is made to the Bond Legislation for the definitions of the capitalized terms used and not otherwise defined herein. The City irrevocably and unconditionally covenants that it will keep and perform all of the covenants of this Bond and of the Bond Legislation.

This Bond shall not be valid or become obligatory for any purpose until the Certificate of Authentication hereon has been signed by the Bond Registrar.

1 The principal of and premium, if any, and interest on this Bond shall be paid only to the Registered Owner as of
2 the Record Date set forth above and to no other person or entity, and this Bond may not be assigned except on the Bond
Register.

3 In the manner and subject to the limitations set forth in the Bond Legislation, this Bond may be transferred by
4 the Registered Owner or by such Owner's authorized agent at the Bond Registrar on completion of the assignment form
5 appearing hereon and surrender and cancellation of this Bond. Upon such transfer, a new Bond (or Bonds, at the option
6 of the new Registered Owner) of an equal aggregate principal amount and of the same maturity and interest rate in any
7 authorized denomination will be issued to the new Registered Owner, without charge, in exchange therefor. This Bond
and other Bonds may be surrendered to the Bond Registrar and exchanged, without charge, for an equal aggregate
principal amount of Bonds of the same maturity and interest rate in any authorized denomination. The Bond Registrar
shall not be obligated to transfer or exchange any Bond during the period between the Record Date and the next
succeeding principal or interest payment or redemption date.

8 The City and the Bond Registrar may deem and treat the Registered Owner of this Bond as its absolute owner
9 for the purpose of receiving payment of principal, premium, if any, and interest and for all other purposes, and neither
10 the City nor the Bond Registrar shall be affected by any notice to the contrary other than proper notice of assignment.
As used herein, "Registered Owner" means the person or entity named as Registered Owner of this Bond on the front
hereof and on the Bond Register.

11 It is certified and declared that all acts, conditions and things required to be done precedent to and in the
issuance of this Bond have been done, have happened and have been performed as required by law.

12 IN WITNESS WHEREOF, the City has caused this Bond to be executed on behalf of the City by the facsimile
13 signatures of its Mayor and Director of Finance and a facsimile reproduction of the seal of the City to be printed hereon,
this _____ day of December, 2008.

14 THE CITY OF SEATTLE, WASHINGTON

15 Date of Authentication: _____

16
17 CERTIFICATE OF AUTHENTICATION

18 This Bond is one of the fully registered The City of Seattle, Washington, Municipal Light and Power
Improvement and Refunding Revenue Bonds, 2008, described in the Bond Legislation.

19 WASHINGTON STATE FISCAL AGENT
20 Bond Registrar

21 By _____
22 Authorized Signer

23 ASSIGNMENT

24 For value received, the undersigned Registered Owner does sell, assign and transfer unto:

25 _____
26 (name, address and social security or other identifying number of assignee)

the within-mentioned Bond and irrevocably constitutes and appoints _____
_____ to transfer the same on the Bond Register with full power of substitution in the
premises.

DATED: _____.

Registered Owner

(NOTE: The signature above must correspond with the name of
the Registered Owner as it appears on the front of this Bond in
every particular, without alteration or enlargement or any change
whatsoever.)

Signature Guaranteed:

(NOTE: Signature must be guaranteed
pursuant to law.)

EXHIBIT D
FORM OF NOTICE OF BOND SALE

OFFICIAL NOTICE OF BOND SALE

\$257,745,000*

THE CITY OF SEATTLE, WASHINGTON
MUNICIPAL LIGHT AND POWER IMPROVEMENT AND REFUNDING REVENUE BONDS, 2008

Electronic bids for purchase of The City of Seattle Municipal Light and Power Improvement and Refunding Revenue Bonds, 2008 (the "Bonds"), will be received by The City of Seattle, Washington (the "City"), by the Director of Finance via Bidcomp/Parity's electronic bidding service ("Parity"), in the manner described below, until

7:30 A.M., PACIFIC TIME, ON DECEMBER 10, 2008,

or such other day or time and under such other terms and conditions as may be established by the Director of Finance and communicated by wire service not less than 18 hours prior to the time bids are to be received. The City will make an official bid form (the "Official Bid Form") available to Parity at least 18 hours prior to the time bids are to be received.

Bids must be submitted electronically via Parity in accordance with this Official Notice of Bond Sale. For further information about Parity, potential bidders may contact Bidcomp/Parity at 212-404-8102. Hard copy bids will not be accepted.

No bid will be received after the time for receiving bids specified above. All proper bids received with respect to the Bonds are expected to be considered and acted on by the City Council on December 10, 2008.

DESCRIPTION OF THE BONDS

Bond Details

The Bonds will be dated the date of their initial delivery. Interest on the Bonds is payable semiannually on each April 1 and October 1, beginning April 1, 2009.

Registration and Book-Entry Only System

The Bonds are issuable only as fully registered bonds and when issued will be registered in the name of Cede & Co. as registered owner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as initial securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their interest in the Bonds purchased. The principal of and interest on the Bonds are payable by the City's Bond Registrar, currently the fiscal agent of the State of Washington (currently The Bank of New York Mellon in New York, New York) to DTC, which is obligated in turn to remit such payments to its participants for subsequent disbursement to beneficial owners of the Bonds.

* Preliminary, subject to change.

Election of Maturities

The successful bidder shall designate whether some or all of the principal amounts of the Bonds set forth below shall be retired on April 1 of each respective year as serial bonds maturing in such year or as amortization installments of Term Bonds maturing in the years specified by the bidder.

Term Bonds, if any, must consist of the total principal payments of two or more consecutive years and mature in the latest of those years. Bonds subject to optional redemption by the City may not be grouped with Bonds not subject to optional redemption by the City when creating any single maturity of Term Bonds.

Years (April 1)	Serial Maturities or Amortization Installments ⁽¹⁾	Years (April 1)	Serial Maturities or Amortization Installments ⁽¹⁾
2009	\$ 6,400,000	2022	\$ 6,915,000 ⁽²⁾
2010	10,495,000	2023	7,270,000 ⁽²⁾
2011	11,170,000	2024	7,640,000 ⁽²⁾
2012	11,850,000	2025	8,035,000 ⁽²⁾
2013	12,725,000	2026	8,455,000 ⁽²⁾
2014	13,400,000	2027	8,910,000 ⁽²⁾
2015	14,205,000	2028	9,390,000 ⁽²⁾
2016	12,850,000	2029	9,910,000 ⁽²⁾
2017	8,060,000	2030	10,470,000 ⁽²⁾
2018	8,475,000	2031	11,065,000 ⁽²⁾
2019	7,310,000	2032	11,690,000 ⁽²⁾
2020	7,645,000 ⁽²⁾	2033	12,350,000 ⁽²⁾
2021	8,010,000 ⁽²⁾	2034	13,050,000 ⁽²⁾

(1) Preliminary, subject to change.

(2) These amounts will constitute principal maturities of the Bonds unless Term Bonds are specified by the successful bidder, in which case these amounts may constitute mandatory sinking fund redemptions of Term Bonds.

Redemption

The Bonds maturing on or after April 1, 2020, are subject to redemption prior to maturity at the option of the City on or after April 1, 2019, in whole or in part at any time (maturities to be selected by the City and within a maturity randomly in such manner as the Bond Registrar may determine and, so long as the Bonds are in book-entry form, in accordance with the procedures established by the securities depository) at the price of par plus accrued interest to the date of redemption.

Security

The Bonds are special limited obligations of the City. The principal of and interest on the Bonds are payable out of the Seattle Municipal Light Revenue Parity Bond Fund (the "Parity Bond Fund"). The City has agreed to pay into the Parity Bond Fund, on or prior to the respective dates on which principal of and premium, if any, and interest on Parity Bonds is payable, certain amounts from the Gross Revenues of the Light System sufficient to pay such principal and interest as the same become due. The Gross Revenues of the Light System are pledged to make such payments, which pledge constitutes a lien and charge upon such revenues prior and superior to all other charges whatsoever except reasonable charges for maintenance and operation of the Light System. Gross Revenues include the proceeds received by the City directly or indirectly from the sale, lease or other disposition of any of the properties, rights or facilities of the Light

System but do not include Bond proceeds and certain insurance proceeds. Maintenance and operation charges do not include any taxes paid to the City, but do include the unconditional obligation to make payments under certain power purchase contracts. The lien of the Parity Bonds upon the Gross Revenues is prior and superior to the lien upon Gross Revenues of the Subordinate Lien Bonds, unless and until such Subordinate Lien Bonds are converted to fixed rate Parity Bonds in compliance with the requirements for the issuance of additional Parity Bonds.

THE BONDS DO NOT CONSTITUTE GENERAL OBLIGATIONS OF THE CITY, THE STATE OF WASHINGTON (THE "STATE") OR ANY POLITICAL SUBDIVISION OF THE STATE, OR A CHARGE UPON ANY GENERAL FUND OR UPON ANY MONEY OR OTHER PROPERTY OF THE CITY, THE STATE OR ANY POLITICAL SUBDIVISION OF THE STATE NOT SPECIFICALLY PLEDGED THERETO BY THE BOND ORDINANCE. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY, NOR ANY REVENUES OF THE CITY DERIVED FROM SOURCES OTHER THAN THE LIGHT SYSTEM, ARE PLEDGED TO THE PAYMENT OF THE BONDS.

BIDDING INFORMATION AND AWARD

Bidders are invited to submit bids for the purchase of the Bonds fixing the interest rate or rates that the Bonds will bear. Interest rates bid shall be in multiples of 1/8 or 1/20 of one percent, or both. No more than one rate of interest may be fixed for any one maturity.

No bid will be considered for the Bonds that is less than an amount equal to 96 percent of the par value of the Bonds nor more than an amount equal to 104 percent of the par value of the Bonds, or for less than the entire offering of the Bonds. Each maturity must be reoffered at a yield that will produce a price of not less than 96 percent. For the purpose of the preceding sentence, "price" shall be defined as the lesser of the price at the redemption date or the price at the maturity date. All bids shall be without condition. For the purpose of comparison only and not as a part of the bid, each bid shall state the true interest cost of the bid.

The City strongly encourages the inclusion of Women and Minority Business Enterprise firms in bidding syndicates.

Adjustment of Principal Amounts Before Bid Opening

Bidders are advised that the City may modify the total principal amount of the Bonds and/or the amounts of individual maturities stated in this Official Notice of Bond Sale prior to the bidding. If such changes are made, they will be reflected in the Official Bid Form to be made available through Parity.

Bidding Process

By submitting an electronic bid for the Bonds, such bidder thereby agrees to the following terms and conditions:

- (i) If any provision in this Official Notice of Bond Sale conflicts with information or terms provided to or required of the bidder by Parity, this Official Notice of Bond Sale (including any amendments issued by the City through a wire service) and the Official Bid Form shall control. Information provided by Parity to bidders shall form no part of any bid or of any contract between the successful bidder and the City unless that information is included in this Official Notice of Bond Sale or in the Official Bid Form to be made available by the City.
- (ii) The bidder is solely responsible for making necessary arrangements to access Parity for purposes of submitting a timely bid that is in compliance with this Official Notice of Bond Sale (including any amendments issued by the City through a wire service) and with the Official Bid Form to be made available by the City.
- (iii) The City shall have no duty or obligation to provide or assure access to Parity, and shall not be responsible for the proper operation of, or have any liability for, any delays or interruptions of, or any damages caused by, use or attempted use of Parity.
- (iv) Parity is not the City's agent, but rather is the bidder's agent for the bidder's convenience in submitting its bid to the City.

(v) The City will regard the electronic transmission of each bid it receives through Parity (including information regarding the purchase price of the Bonds and interest rates for any maturity of the Bonds) as being submitted on the Official Bid Form to be made available by the City and executed on behalf of the named bidder by a duly authorized signatory.

(vi) If an electronic bid is accepted by the City, this Official Notice of Bond Sale (including any amendments issued by the City through a wire service), the Official Bid Form to be made available by the City, the information regarding the purchase price of the Bonds, any Term Bonds specified, and the interest rates for any maturity of the Bonds that is submitted electronically to the City through Parity shall form a contract between the bidder and the City, and the bidder shall be bound by the terms of such contract whether or not the bidder in fact attempted or intended to submit a bid on those terms.

Good Faith Deposit

The successful bidder shall deliver a good faith deposit in the amount of \$2,600,000 to the City's Debt Manager by no later than 90 minutes following the successful bidder's receipt of the verbal award. The good faith deposit may be paid in either of the following ways:

(i) By federal funds wire transfer. Wiring instructions will be provided on Parity.

(ii) By delivering a certified or bank cashier's check made payable to the order of The City of Seattle to the City's Debt Manager at the following address: 600 Fourth Avenue, Sixth Floor, Seattle, Washington 98104.

The good faith deposit of the successful bidder shall be retained by the City as security for the performance of the successful bid and shall be applied to the purchase price of the Bonds upon the delivery of the Bonds to the successful bidder. Pending delivery of the Bonds, the good faith deposit may be invested for the sole benefit of the City. If the Bonds are ready for delivery and the successful bidder fails or neglects to complete the purchase of such Bonds within 30 days following the acceptance of its bid, the good faith deposit shall be retained by the City as reasonable liquidated damages and not as a penalty.

If the deposit in such form is not received by that time, the City may cancel the bid award and have no further obligation to that bidder. The City may, in addition and without limitation, take such steps as it deems appropriate against the successful bidder to obtain the amount of the good faith deposit and, in the event the City cancels the bid award, retain the recovered amount as reasonable liquidated damages and not as a penalty.

Award

The Bonds will be sold to the bidder making a bid conforming to the terms of the offering and which, on the basis of the City's determination of the lowest true interest cost, is the best bid. The true interest cost to the City will be the rate that, when used to discount to the date of the Bonds all future payments of principal and interest (using semiannual compounding and a 30/360-day basis), produces an amount equal to the bid amount. If there are two or more equal bids and those bids are the best bids received, the Director of Finance will determine by lot which bid will be presented to the City Council.

The City reserves the right to reject any or all bids submitted and to waive any formality or irregularity in the bid or bidding process. If all bids are rejected, then the Bonds may be sold in the manner provided by law. Any bid presented after the time specified for the receipt of bids will not be accepted, and any bid not backed by the required good faith deposit at the time of opening that bid will not be read or considered. The successful bid shall remain in effect until 5:00 p.m., Pacific Time, on the date following such bid opening.

Adjustment of Principal Amounts and Bid Price After Bid Opening

The City reserves the right to increase or decrease the preliminary principal amount of the Bonds from the amounts shown on the Official Bid Form (as made available to Parity at least 18 hours prior to the time bids are to be received) by an amount not to exceed ten percent (10%) following the opening of the bids. The City also reserves the right to increase

or decrease the preliminary principal amount of any maturity shown on the Official Bid Form by an amount not to exceed fifteen percent (15%) of the preliminary principal amount of that maturity. The price bid by the successful bidder will be adjusted by the City on a proportionate basis to reflect an increase or decrease in the principal amount and maturity schedule within 18 hours of the bid opening. In the event that the City elects to alter the bond size after the bid pursuant to the Official Notice of Sale, the underwriter's discount, expressed in dollars per thousand, will be held constant. The City will not be responsible in the event and to the extent that any adjustment affects (i) the net compensation to be realized by the successful bidder, or (ii) the true interest cost of the winning bid or its ranking relative to other bids.

Issue Price Information

Upon award of the Bonds, the successful bidder shall advise the City and Bond Counsel of the initial reoffering prices to the public of each maturity of the Bonds (the "Initial Reoffering Prices"), for the City's inclusion in the final Official Statement for the Bonds. Simultaneously with or before delivery of the Bonds, the successful bidder shall furnish to the City and Bond Counsel a certificate in form and substance acceptable to Bond Counsel:

- (i) confirming the Initial Reoffering Prices,
- (ii) certifying that a *bona fide* offering of the Bonds has been made to the public (excluding bond houses, brokers and other intermediaries),
- (iii) stating the first price at which a substantial amount (at least ten percent) of each maturity of the Bonds was sold to the public (excluding bond houses, brokers and other intermediaries),
- (iv) if the first price at which a substantial amount of any maturity of the Bonds does not conform to the Initial Reoffering Price of that maturity, providing an explanation of the facts and circumstances that resulted in that nonconformity, and,
- (v) stating which maturities, if any, are amortization installments of Term Bonds maturing in the years specified by the bidder.

Insurance

Bids for the Bonds shall not be conditioned upon obtaining insurance or any other credit enhancement, or upon City acceptance of the terms of insurance or other credit enhancement. If the Bonds qualify for issuance of any policy of municipal bond insurance or commitment therefor, any purchase of such insurance or commitment therefor shall be at the sole option and expense of the bidder and any increased costs of issuance of the Bonds resulting by reason of such insurance, unless otherwise paid, shall be paid by such bidder, but shall not, in any event, be paid by the City. Any failure of the Bonds to be so insured or of any such policy of insurance to be issued shall not in any way relieve the purchaser of its contractual obligations arising from the acceptance of its proposal for the purchase of the Bonds. If the successful bidder purchases insurance for the Bonds, the City may require the successful bidder to furnish to the City and Bond Counsel a certificate in form and substance acceptable to Bond Counsel confirming that the present value (calculated using the same yield as the yield on the Bonds) of the insurance premium is less than the present value (calculated using the same yield as the yield on the Bonds) of the interest cost savings represented by the comparative differences between interest amounts that would have been payable on the various maturities of the Bonds at interest rates on the Bonds issued with and without the insurance on the Bonds.

Modifications

The terms and conditions of this Official Notice of Bond Sale are subject to modification by the Director of Finance. Any such modification will be communicated by wire service not less than 18 hours prior to the time the bids are to be received.

DELIVERY

The City will deliver the Bonds (consisting of one certificate for each maturity) to DTC in New York, New York, or to the Bond Registrar on behalf of DTC by Fast Automated Securities Transfer, prior to the date of closing. Closing shall occur within 30 days after the sale date. Settlement shall be in immediately available federal funds in Seattle, Washington, on the date of delivery.

If, prior to the delivery of the Bonds, the interest receivable by the owners of the Bonds becomes includable in gross income for federal income tax purposes, or becomes subject to federal income tax other than as described in the Official Statement for the Bonds, the successful bidder, at its option, may be relieved of its obligation to purchase the Bonds and in that case the good faith deposit accompanying its bid will be returned without interest.

Legal Opinion

The approving legal opinion of Foster Pepper PLLC, Seattle, Washington, Bond Counsel, will be provided to the purchaser at the time of the delivery of the Bonds. A no-litigation certificate will be included in the closing papers of the Bonds.

CUSIP Numbers

It is anticipated that CUSIP identification numbers will appear on the Bonds if requested by the purchaser, but neither the failure to insert such numbers on the Bonds nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds in accordance with the terms of this Official Notice of Bond Sale.

The City's financial advisor is responsible for obtaining CUSIP numbers for the Bonds, but the charge of the CUSIP Bureau shall be paid by the City.

CONTINUING DISCLOSURE UNDERTAKING

In order to assist bidders in complying with paragraph (b)(5) of SEC Rule 15c2-12, the City will undertake to provide certain annual financial information and notices of the occurrence of certain events, if material. A description of this undertaking is set forth in the Preliminary Official Statement and also will be set forth in the final Official Statement.

OFFICIAL STATEMENT

Preliminary Official Statement

The Preliminary Official Statement will be deemed final by the City for the purpose of paragraph (b)(1) of SEC Rule 15c2-12, but is subject to revision, amendment and completion in a final Official Statement, which the City will deliver, at the City's expense, to the Purchaser through its designated representative not later than seven business days after the City's acceptance of the purchaser's bid. The City will provide no more than 100 copies of the final Official Statement without charge. Additional copies will be provided at the Purchaser's expense.

By submitting the successful bid, the Purchaser's designated senior representative agrees to file the final Official Statement or cause it to be filed with the Municipal Securities Rulemaking Board within one business day following its receipt from the City.

The Preliminary Official Statement (with the Official Notice of Bond Sale) and further information regarding the details of the Bonds may be obtained upon request to the City's Debt Manager, 600 Fourth Avenue, Sixth Floor, Seattle, Washington, 98124-4747 (telephone: (206) 684-8347) or to Seattle-Northwest Securities Corporation, 1420 Fifth Avenue, Suite 4300, Seattle, Washington, 98101 (telephone: (206) 628-2882).

Official Statement

At closing, the City will furnish a certificate of an official or officials of the City, relying on the opinions of Bond Counsel where appropriate, stating that, to the best knowledge of such official(s) as of the date of the Official Statement and as of the date of delivery of the Bonds,

- (i) the information (including financial information) regarding the City and the Light System contained in the Official Statement was and is true and correct in all material respects and did not and does not contain any untrue statement of a material fact or omit any statement or information which is necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (however, the City will make no representation regarding Bond Counsel's form of opinion or the information provided by DTC, The Bank of New York Mellon or any entity providing bond insurance, reserve insurance or other credit facility); and
- (ii) the descriptions and statements, including financial data, of or pertaining to other bodies and their activities contained in the Official Statement have been obtained from sources that the City believes to be reliable, and the City has no reason to believe that they are untrue in any material respect.

DATED at Seattle, Washington, this 2nd day of December, 2008.

/s/

Dwight D. Dively
Director of Finance

EXHIBIT E
PRINTED VERSIONS OF ALL ELECTRONIC BIDS

PARITY Reoffering

Page 1 of 1

Result

Merrill Lynch & Co.'s Reoffering Scale

PARITY

Seattle

\$258,915,000 Municipal Light and Power Improvement
and Refunding Revenue Bonds, 2008

Maturity Date	Amount \$	Coupon %	Yield %	Dollar Price	Call Date
04/01/2009	6,505M	4.0000	1.0400	100.743	
04/01/2010	10,005M	5.0000	2.5000	103.060	
04/01/2011	13,090M	5.0000	2.7500	104.878	
04/01/2012	13,870M	5.0000	3.2500	105.355	
04/01/2013	14,825M	5.0000	3.5000	105.874	
04/01/2014	15,610M	5.0000	3.7500	105.903	
04/01/2015	16,505M	5.2500	4.0000	106.848	
04/01/2016	15,240M	5.0000	4.5300	102.870	
04/01/2017	10,495M	5.0000	4.8300	101.138	
04/01/2018	11,070M	5.0000	5.0900	99.334	
04/01/2019	10,045M	5.2500	5.2500	100.000	
04/01/2020	10,565M	5.2500	5.5000	97.914	
04/01/2021	11,125M	5.5000	5.6000	99.112	
04/01/2022	10,185M	5.5000	5.7500	97.693	
04/01/2023	10,745M	5.7500	5.8500	99.031	
04/01/2024					
04/01/2025	23,365M	6.0000	6.0500	99.476	
04/01/2026					
04/01/2027					
04/01/2028					
04/01/2029	55,670M	5.7500	5.9000	98.230	

Accrued Interest: \$0.00

Gross Production: \$262,290,335.45

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PARITY Result Screen

Page 1 of 1

07:30:17 a.m. PST

[Upcoming Calendar](#)

[Overview](#)

[Compare](#)

[Summary](#)

Bid Results

Seattle \$258,915,000 Municipal Light and Power Improvement and Refunding Revenue Bonds, 2008

The following bids were submitted using **PARITY®** and displayed ranked by lowest TIC.
Click on the name of each bidder to see the respective bids.

Bid Award*	Bidder Name	TIC
<input type="checkbox"/>	Merrill Lynch & Co.	5.512866
<input type="checkbox"/>	J.P. Morgan Securities Inc.	5.541527
<input type="checkbox"/>	Barclays Capital, Inc.	5.569600
<input type="checkbox"/>	Citigroup Global Markets Inc.	5.635076
<input type="checkbox"/>	Goldman, Sachs & Co.	5.761272

*Awarding the Bonds to a specific bidder will provide you with the Reoffering Prices and Yields.

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<https://www.newissuehome.i-deal.com/Parity/asp/main.asp?frame=content&page=parity...> 12/10/2008

EXHIBIT E-2

PARITY Bid Form

Page 1 of 2

Upcoming Calendar	Overview	Result	Excel
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**Merrill Lynch & Co. - New York , NY's Bid
Seattle**



**\$258,915,000 Municipal Light and Power Improvement
and Refunding Revenue Bonds, 2008**

For the aggregate principal amount of \$258,915,000.00, we will pay you \$258,918,374.07, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate(s):

Maturity Date	Amount \$	Coupon %
04/01/2009	6,505M	4.0000
04/01/2010	10,005M	5.0000
04/01/2011	13,090M	5.0000
04/01/2012	13,870M	5.0000
04/01/2013	14,825M	5.0000
04/01/2014	15,610M	5.0000
04/01/2015	16,505M	5.2500
04/01/2016	15,240M	5.0000
04/01/2017	10,495M	5.0000
04/01/2018	11,070M	5.0000
04/01/2019	10,045M	5.2500
04/01/2020	10,565M	5.2500
04/01/2021	11,125M	5.5000
04/01/2022	10,185M	5.5000
04/01/2023	10,745M	5.7500
04/01/2024		
04/01/2025	23,365M	6.0000
04/01/2026		
04/01/2027		
04/01/2028		
04/01/2029	55,670M	5.7500

Total Interest Cost: \$149,813,503.61
Premium: \$3,374.07
Net Interest Cost: \$149,810,129.54
TIC: 5.512866
Time Last Bid Received On: 12/10/2008 7:29:18 PST

This proposal is made subject to all of the terms and conditions of the Official Bid Form, the Official Notice of Sale, and the Preliminary Official Statement, all of which are made a part hereof.

Bidder: Merrill Lynch & Co., New York , NY
Contact: Paul Kuhns
Title: Managing Director
Telephone: 212-449-5081

<https://www.newissuhome.i-deal.com/Parity/asp/main.asp?frame=content&page=parity...> 12/10/2008

EXHIBIT E-3

PARITY Bid Form

Page 1 of 2

Upcoming Calendar	Overview	Result	Excel
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**J.P. Morgan Securities Inc. - New York , NY's Bid
Seattle**



**\$258,915,000 Municipal Light and Power Improvement
and Refunding Revenue Bonds, 2008**

For the aggregate principal amount of \$258,915,000.00, we will pay you \$259,769,308.47, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate(s):

Maturity Date	Amount \$	Coupon %
04/01/2009	6,505M	5.0000
04/01/2010	10,005M	5.0000
04/01/2011	13,090M	5.0000
04/01/2012	13,870M	5.0000
04/01/2013	14,825M	5.0000
04/01/2014	15,610M	5.0000
04/01/2015	16,505M	5.0000
04/01/2016	15,240M	5.0000
04/01/2017	10,495M	5.0000
04/01/2018	11,070M	5.0000
04/01/2019	10,045M	5.0000
04/01/2020	10,565M	5.2500
04/01/2021	11,125M	5.3750
04/01/2022	10,185M	5.5000
04/01/2023	10,745M	5.6250
04/01/2024	11,355M	5.7500
04/01/2025	12,010M	5.8750
04/01/2026	12,725M	6.0000
04/01/2027	13,475M	6.0000
04/01/2028	14,295M	6.2500
04/01/2029	15,175M	6.2500

Total Interest Cost: \$152,352,179.06
Premium: \$854,308.47
Net Interest Cost: \$151,497,870.59
TIC: 5.541527
Time Last Bid Received On: 12/10/2008 7:29:32 PST

This proposal is made subject to all of the terms and conditions of the Official Bid Form, the Official Notice of Sale, and the Preliminary Official Statement, all of which are made a part hereof.

Bidder: J.P. Morgan Securities Inc., New York , NY
Contact: Robert Servas
Title: Vice President
Telephone: 212-834-7155

<https://www.newissuhome.i-deal.com/Parity/asp/main.asp?frame=content&page=parity...> 12/10/2008

PARITY Bid Form

Page 1 of 2

Upcoming Calendar	Overview	Result	Excel
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**Barclays Capital, Inc. - New York , NY's Bid
Seattle**



**\$258,915,000 Municipal Light and Power Improvement
and Refunding Revenue Bonds, 2008**

For the aggregate principal amount of \$258,915,000.00, we will pay you \$258,839,194.55, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate(s):

Maturity Date	Amount \$	Coupon %
04/01/2009	6,505M	5.0000
04/01/2010	10,005M	5.0000
04/01/2011	13,090M	5.0000
04/01/2012	13,870M	5.0000
04/01/2013	14,825M	5.0000
04/01/2014	15,610M	5.0000
04/01/2015	16,505M	5.0000
04/01/2016	15,240M	5.0000
04/01/2017	10,495M	5.0000
04/01/2018	11,070M	5.0000
04/01/2019	10,045M	5.5000
04/01/2020	10,565M	5.2500
04/01/2021	11,125M	5.3750
04/01/2022	10,185M	5.5000
04/01/2023	10,745M	5.5000
04/01/2024	11,355M	5.6250
04/01/2025	12,010M	5.7500
04/01/2026	12,725M	5.7500
04/01/2027	13,475M	6.0000
04/01/2028	14,295M	6.2500
04/01/2029	15,175M	6.2500

Total Interest Cost: \$151,666,349.27
Discount: \$75,805.45
Net Interest Cost: \$151,742,154.72
TIC: 5.569600
Time Last Bid Received On: 12/10/2008 7:29:51 PST

This proposal is made subject to all of the terms and conditions of the Official Bid Form, the Official Notice of Sale, and the Preliminary Official Statement, all of which are made a part hereof.

Bidder: Barclays Capital, Inc., New York , NY
Contact: Steve Milano
Title: Managing Director
Telephone: 212-528-1061

<https://www.newissuehome.i-deal.com/Parity/asp/main.asp?frame=content&page=parity...> 12/10/2008

PARITY Bid Form

Page 1 of 2

Upcoming Calendar	Overview	Result	Excel
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**Citigroup Global Markets Inc. - New York , NY's Bid
Seattle**



**\$258,915,000 Municipal Light and Power Improvement
and Refunding Revenue Bonds, 2008**

For the aggregate principal amount of \$258,915,000.00, we will pay you \$258,481,012.15, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate(s):

Maturity Date	Amount \$	Coupon %
04/01/2009	6,505M	5.0000
04/01/2010	10,005M	5.0000
04/01/2011	13,090M	5.0000
04/01/2012	13,870M	5.0000
04/01/2013	14,825M	5.0000
04/01/2014	15,610M	5.2500
04/01/2015	16,505M	5.2500
04/01/2016	15,240M	5.2500
04/01/2017	10,495M	5.2500
04/01/2018	11,070M	5.2500
04/01/2019	10,045M	5.5000
04/01/2020	10,565M	6.0000
04/01/2021	11,125M	5.2500
04/01/2022	10,185M	6.0000
04/01/2023	10,745M	5.5000
04/01/2024	11,355M	5.7500
04/01/2025	12,010M	5.7500
04/01/2026		
04/01/2027	26,200M	5.7500
04/01/2028		
04/01/2029	29,470M	6.0000

Total Interest Cost: \$152,419,645.14
Discount: \$433,987.85
Net Interest Cost: \$152,853,632.99
TIC: 5.635076
Time Last Bid Received On: 12/10/2008 7:29:54 PST

This proposal is made subject to all of the terms and conditions of the Official Bid Form, the Official Notice of Sale, and the Preliminary Official Statement, all of which are made a part hereof.

Bidder: Citigroup Global Markets Inc., New York , NY
Contact: Charles Reed
Title: VP
Telephone: 212-723-7093

<https://www.newissuehome.i-deal.com/Parity/asp/main.asp?frame=content&page=parity...> 12/10/2008

PARITY Bid Form

Page 1 of 2

Upcoming Calendar	Overview	Result	Excel
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**Goldman, Sachs & Co. - New York , NY's Bid
Seattle**



**\$258,915,000 Municipal Light and Power Improvement
and Refunding Revenue Bonds, 2008**

For the aggregate principal amount of \$258,915,000.00, we will pay you \$256,285,824.46, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate(s):

Maturity Date	Amount \$	Coupon %
04/01/2009	6,505M	4.0000
04/01/2010	10,005M	5.0000
04/01/2011	13,090M	5.0000
04/01/2012	13,870M	5.0000
04/01/2013	14,825M	5.0000
04/01/2014	15,610M	5.0000
04/01/2015	16,505M	5.0000
04/01/2016	15,240M	5.0000
04/01/2017	10,495M	5.0000
04/01/2018	11,070M	5.0000
04/01/2019	10,045M	5.2500
04/01/2020	10,565M	5.3750
04/01/2021	11,125M	5.5000
04/01/2022	10,185M	5.5000
04/01/2023	10,745M	5.6250
04/01/2024	11,355M	5.7500
04/01/2025		
04/01/2026		
04/01/2027		
04/01/2028		
04/01/2029	67,680M	6.1250

Total Interest Cost: \$153,253,874.86
Discount: \$2,629,175.54
Net Interest Cost: \$155,883,050.40
TIC: 5.761272
Time Last Bid Received On: 12/10/2008 7:29:45 PST

This proposal is made subject to all of the terms and conditions of the Official Bid Form, the Official Notice of Sale, and the Preliminary Official Statement, all of which are made a part hereof.

Bidder: Goldman, Sachs & Co., New York , NY
Contact: Glenn McGowan
Title: Analyst
Telephone: 212-902-6582

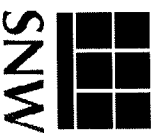
<https://www.newissuehome.i-deal.com/Parity/asp/main.asp?frame=content&page=parity...> 12/10/2008

City of Seattle



Municipal Light and Power Improvement and Refunding Revenue Bonds, 2008 Bond Sale Results

City Council Meeting
Wednesday, December 10th, 2008



City of Seattle Bond Sale Results: Market Conditions

\$257,375,000

City of Seattle

Municipal Light and Power Improvement and Refunding Revenue Bonds, 2008

Wednesday, December 10, 2008, 7:30 a.m.

Purpose of Bond Sale:

The Bonds are being issued to finance capital projects and conservation programs for the Light System and to convert the 1990, 1991 Series A & B, 1993 and 1996 Bonds from variable to fixed rate.

Market Conditions

Since the sale of the City of Seattle Water Revenue Bonds on November 19, 2008, long-term municipal interest rates have increased by 50-100 basis points. This is primarily due to a continuation of the volatility experienced in all financial markets since mid-September in the wake of the Lehman Brothers bankruptcy and the bailout of AIG. Shortly after these events, many significant investors pulled back from the municipal market completely and the resulting lack of demand caused interest rates on municipal bonds to spike to 6.00% and above. The market stabilized briefly in mid-November but that was short-lived and long-term municipal rates have once again crossed the 6.00% threshold.

This week, the U.S. Treasury bond market opened up strongly as continued economic concerns and unrest in the equity markets resulted in lower yields for U.S. government bonds. This significant drop in treasury bond yields has been fueled further by continued buying of treasuries by the Federal Reserve. Unfortunately, this increase in demand has not crossed over into the municipal bond market and the performance of municipal securities and U.S. government bonds have diverged. This morning's announcement of an agreement on the Big-3 automaker emergency loan program caused the bond market to retreat modestly which resulted in a negative tone at the time of the bid.

Bond Sale Results

The bonds were sold through competitive pricing at 7:30 a.m. on Wednesday, December 10th, 2008. The City received 5 bids ranging from 5.5129% to 5.7613%, a total spread of 25 basis points. The best bid, provided by Merrill Lynch was 5.5129%. J.P. Morgan had the next best bid (the cover) at 5.5415%. The receipt of 5 bids in light of the extremely volatile market environment indicates that the pricing was very competitive. The bid results are provided on the following page.



City of Seattle Bid Results

City of Seattle \$257,375,000 Municipal Light and Power Improvement and Refunding Revenue, 2008

The following bids were submitted using **PARITY**® and displayed ranked by lowest TIC.
Click on the name of each bidder to see the respective bids.

Bid Award*	Bidder Name	TIC
<input checked="" type="checkbox"/>	<u>Merrill Lynch & Co.</u>	5.512866
<input type="checkbox"/>	<u>J.P. Morgan Securities Inc.</u>	5.541527
<input type="checkbox"/>	<u>Barclays Capital, Inc.</u>	5.569600
<input type="checkbox"/>	<u>Citigroup Global Markets Inc.</u>	5.635076
<input type="checkbox"/>	<u>Goldman, Sachs & Co.</u>	5.761272



Par Amount

The principal amount of the Bonds was reduced from the amount included in the authorizing ordinance to reflect the reduction in the Council-approved Light System CIP. This amount was decreased further following the receipt of bids to account for the larger than expected amount of premium included in the winning bid.

Sources and Uses of Funds

Sources of Funds:

Par Amount	\$257,375,000.00
<u>Net Premium</u>	<u>3,243,923.45</u>
Total Sources of Funds	\$260,618,923.45

Uses of Proceeds:

Project Fund Deposit	\$185,000,000.00
Redemption of variable rate bonds	71,975,000.00
<u>Delivery Date Expenses</u>	<u>3,643,923.45</u>
Total Uses of Funds	\$260,618,923.45

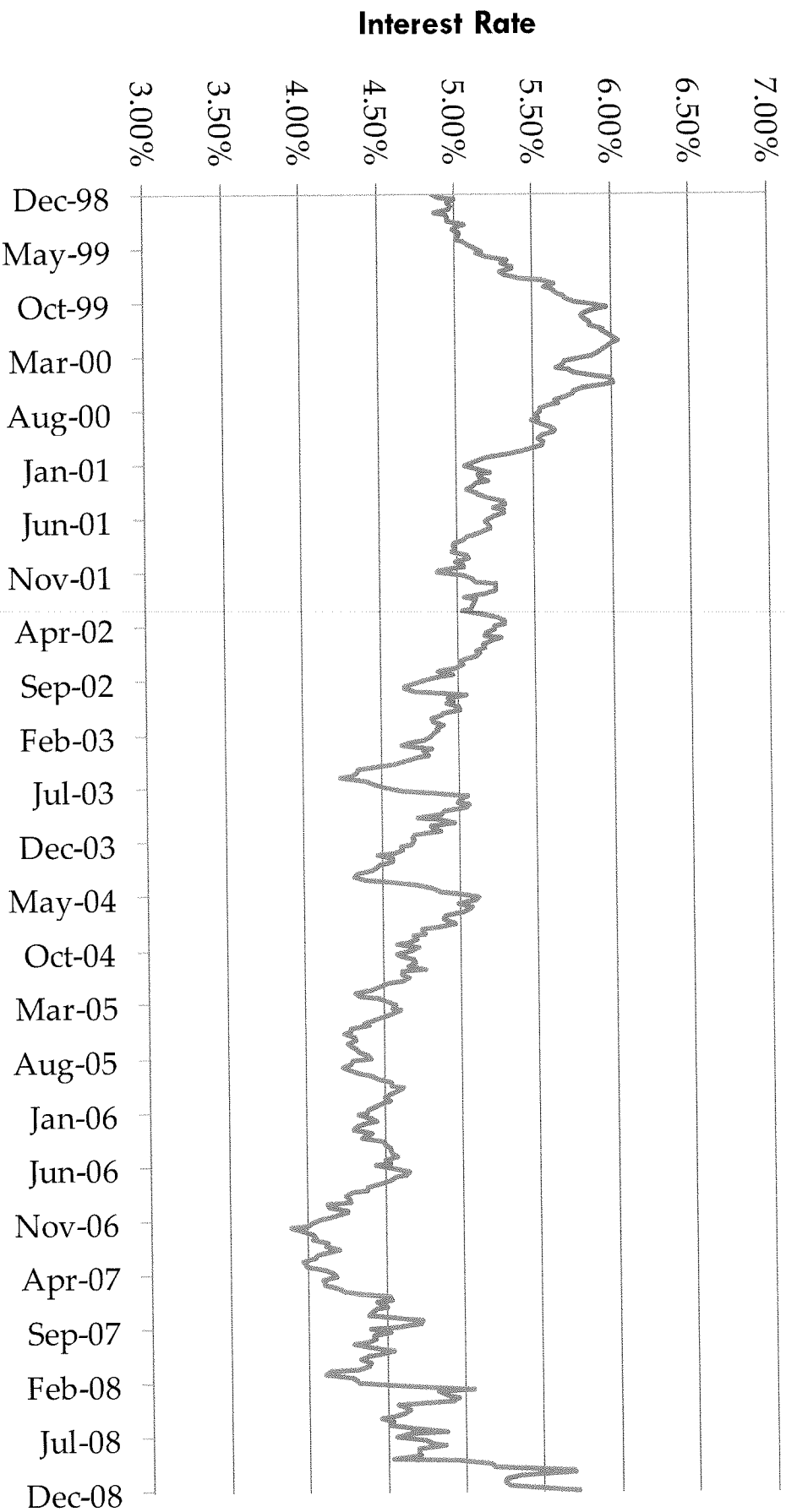
Bond Ratings

The City received a bond rating upgrades from Standard & Poor's and Moody's Investor Service. With this upgrade, City Light's Moody's rating has returned to the level it maintained prior to the 2001 Energy Crisis. Additionally, this is the second S&P rating upgrade the Utility has received in the last two years although the current rating is still one notch below its pre-2001 rating.

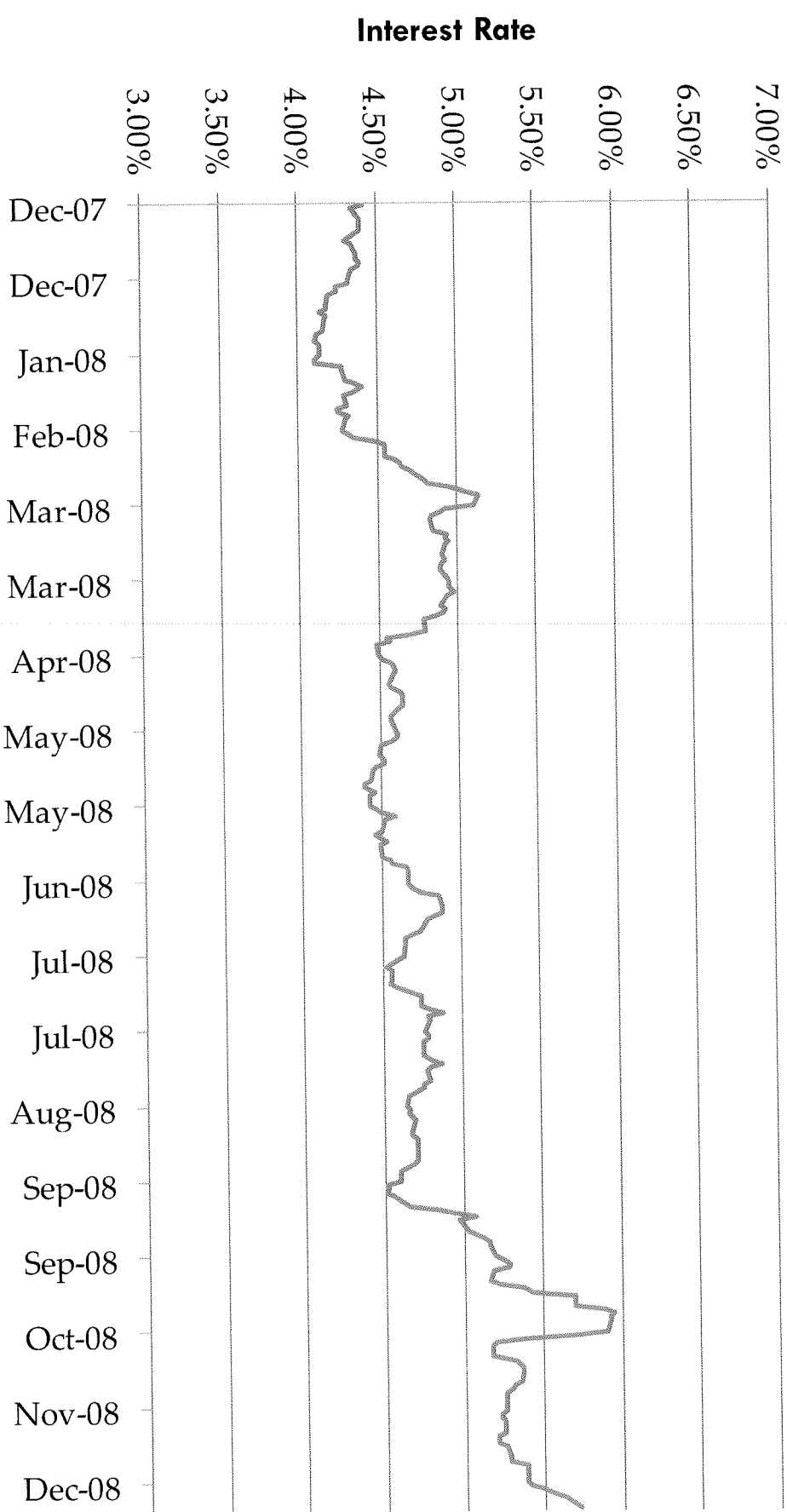
Moody's Investors Service	Aa2
Standard & Poor's:	AA-

Interest Rate Trends

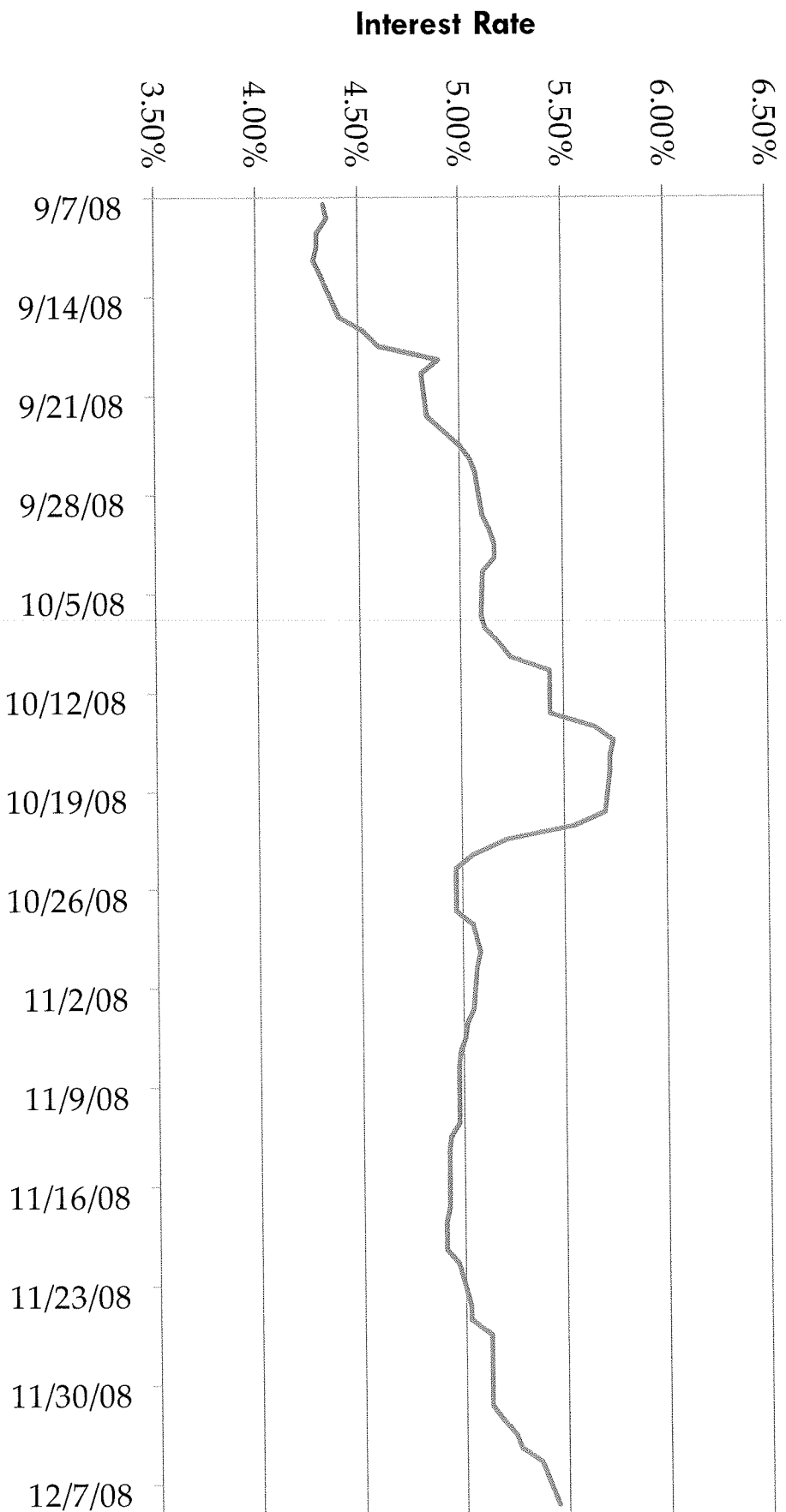
Historical 20-Year AAA MMD Rates Ten-Year History



Historical 20-Year AAA MMD Rates **One-Year History**



Historical 20-Year AAA MMD Rates Three-Month History



City of Seattle Municipal Light and Power Improvement and Refunding Revenue Bonds Comparable Investor Yields

Issuer	CITY OF SEATTLE MLP IMPROV. & REFUND. BONDS, 2008	NYC MUNI WTR FIN AUTH	ILLINOIS FIN AUTH	LOWER CO RIVER AUTH					
Pricing Date	12/10/2008	12/3/2008	12/3/2008	12/3/2008					
State	WA	NY	IL	TX					
Underwriter	Merrill Lynch	Merrill Lynch & Co.	JP Morgan Securities	Morgan Stanley					
Amount	\$257,375,000	\$325,580,000	\$421,250,000	\$209,645,000					
Insurance	None	None	None	None					
Und. Rating	Aa2/AA-	Aa3/AA+e/AAe	Aa1e/AAe/AA+e	A1e/Ae/A+e					
Call Prov.	4/1/2019 @ 100	6/15/2018 @ 100	7/1/2018 @ 100	5/15/2015					
Type	Competitive	Negotiated	Negotiated	Negotiated					
Security	Revenue	Revenue	Revenue	Revenue					
	MMD	Reoffering Yields	Variance	MMD	Reoffering Yields	Variance	MMD	Reoffering Yields	Variance
2009	0.950	1.040	0.090	1.050			1.050	2.000	0.950
2010	2.100	2.500	0.400	2.130			2.130	3.050	0.920
2011	2.340	2.750	0.410	2.370			2.370	3.420	1.050
2012	2.710	3.250	0.540	2.710			2.710	3.750	1.040
2013	2.950	3.500	0.550	2.930			2.930	3.950	1.020
2014	3.150	3.750	0.600	3.130			3.130	4.150	1.020
2015	3.360	4.000	0.640	3.340			3.340	4.350	1.010
2016	3.630	4.530	0.900	3.590			3.590	4.600	1.010
2017	3.930	4.830	0.900	3.840			3.840	4.850	1.010
2018	4.180	5.090	0.910	4.050			4.050	5.030	0.980
2019	4.450	5.250	0.800	4.290			4.290	5.300	1.010
2020	4.670	5.500	0.830	4.500			4.500	5.550	1.050
2021	4.810	5.600	0.790	4.640			4.640		
2022	4.940	5.750	0.810	4.750			4.750		
2023	5.020	5.850	0.830	4.830			4.830		
2024	5.110			4.920			4.920		
2025	5.200	6.050	0.850	5.000			5.000		
2026	5.290			5.070			5.070		
2027	5.380			5.130			5.130		
2028	5.460			5.170			5.170		
2029	5.520	5.900	0.380	5.210			5.210		
2030	5.570			5.240			5.240		
2031	5.600			5.270			5.270		
2032	5.630			5.300			5.300		
2033	5.660			5.330			5.330		
2034	5.680			5.350			5.350		
2035	5.700			5.370			5.370		
2036	5.720			5.390			5.390		

City of Seattle Municipal Light and Power Improvement and Refunding Revenue Bonds Comparable Investor Yields

Issuer	City of Seattle Water System Revenue New & Refunding Bonds, 2008	City of Seattle Limited Tax General Obligation	City of Seattle Drainage & Wastewater Revenue						
Pricing Date State Underwriter Amount Insurance Und. Rating Call Prov. Type Security	11/19/2008 WA Merrill Lynch & Co \$208,080,000 None AA+/Aa2 2/1/2018 @ 100 Competitive Revenue	6/18/2008 WA Merrill Lynch \$139,830,000 None AA+/Aa1/AAA 12/1/2018 @ 100 Competitive LTGO	4/2/2008 WA Goldman Sachs \$84,645,000 FSA (partial) Aa2/AA+ 6/1/2018 @ 100 Competitive Revenue						
	MMD	Reoffering Yields	Variance	MMD	Reoffering Yields	Variance	MMD	Reoffering Yields	Variance
2009	1.15	1.14	-0.01	2.14	2.43	0.29	1.69	2.00	0.31
2010	2.12	2.15	0.03	2.59	2.95	0.36	2.26	2.50	0.24
2011	2.36	2.51	0.15	2.93	3.17	0.24	2.52	2.75	0.23
2012	2.69	2.84	0.15	3.14	3.27	0.13	2.81	2.99	0.18
2013	2.88	3.03	0.15	3.29	3.39	0.10	2.97	3.15	0.18
2014	3.05	3.20	0.15	3.42	3.58	0.16	3.14	3.32	0.18
2015	3.23	3.38	0.15	3.55	3.72	0.17	3.30	3.48	0.18
2016	3.44	3.59	0.15	3.68	3.85	0.17	3.47	3.65	0.18
2017	3.66	3.81	0.15	3.81	4.09	0.28	3.64	3.85	0.21
2018	3.86	4.01	0.15	3.92	4.17	0.25	3.78	3.99	0.21
2019	4.09	4.24	0.15	4.02	4.19	0.17	3.94	4.15	0.21
2020	4.30	4.50	0.20	4.12	4.29	0.17	4.05	4.30	0.25
2021	4.42	4.65	0.23	4.19	4.37	0.18	4.16	4.40	0.24
2022	4.50	4.75	0.25	4.22	4.44	0.22	4.26	4.46	0.20
2023	4.57	4.82	0.25	4.26	4.47	0.21	4.36	4.56	0.20
2024	4.65	4.90	0.25	4.30	4.50	0.20	4.46	4.68	0.22
2025	4.73	5.00	0.27	4.35	4.55	0.20	4.55	4.73	0.18
2026	4.80	5.05	0.25	4.40	4.60	0.20	4.63	4.81	0.18
2027	4.86	5.11	0.25	4.44	4.64	0.20	4.69	4.87	0.18
2028	4.90	5.15	0.25	4.49	4.69	0.20	4.74	4.92	0.18
2029	4.95	5.20	0.25	4.53					
2030	5.00			4.57					
2031	5.04			4.60			4.85	5.00	0.15
2032	5.07			4.61					
2033	5.10	5.35	0.25	4.62					
2034	5.10			4.64					
2035	5.16			4.64					
2036	5.18			4.65					
2037	5.19			4.66					
2038	5.20	5.45	0.25	4.67			4.92	4.97	0.05

PRELIMINARY OFFICIAL STATEMENT DATED DECEMBER 2, 2008

SALE DATE: DECEMBER 10, 2008

SALE TIME: 7:30 A.M., PACIFIC TIME

New Issue
Book-Entry OnlyRatings: Moody's: Aa2
Standard & Poor's: AA-

In the opinion of Bond Counsel, under existing federal law and assuming compliance with applicable requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issue date of the Bonds, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the alternative minimum tax applicable to individuals. However, while interest on the Bonds also is not an item of tax preference for purposes of the alternative minimum tax applicable to corporations, interest on the Bonds received by corporations is taken into account in the computation of adjusted current earnings for purposes of the alternative minimum tax applicable to corporations, interest on the Bonds received by certain S corporations may be subject to tax, and interest on the Bonds received by foreign corporations with United States branches may be subject to a foreign branch profits tax. Receipt of interest on the Bonds may have other federal tax consequences for certain taxpayers. See "Tax Exemption" and "Certain Other Federal Tax Consequences" under "Legal and Tax Information" herein.

\$257,745,000*

THE CITY OF SEATTLE, WASHINGTON

MUNICIPAL LIGHT AND POWER IMPROVEMENT AND REFUNDING REVENUE BONDS, 2008

DATED: DATE OF INITIAL DELIVERY

DUE: APRIL 1, AS SHOWN ON INSIDE COVER

The City of Seattle Municipal Light and Power Improvement and Refunding Revenue Bonds, 2008 (the "Bonds"), will be issued as fully registered bonds under a book-entry only system, registered in the name of Cede & Co. as registered owner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as initial securities depository for the Bonds. Individual purchases of the Bonds will be made in book-entry form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their interests in the Bonds. Interest on the Bonds is payable semiannually on each April 1 and October 1, beginning April 1, 2009. The principal of and interest on the Bonds are payable by the Bond Registrar (currently, The Bank of New York Mellon in New York, New York) to DTC, which in turn is obligated to remit such payments to its participants for subsequent disbursement to beneficial owners of the Bonds, as described in "Description of the Bonds—Book-Entry Transfer System" and in Appendix E.

MATURITY SCHEDULE LOCATED ON INSIDE COVER

The Bonds are being issued to (i) finance certain capital improvements to and conservation programs for the Light System of The City of Seattle (the "City"), (ii) refund certain of the City's outstanding Municipal Light and Power bonds, and (iii) pay the costs of issuance of the Bonds. See "Use of Proceeds."

The Bonds are subject to redemption prior to maturity as described herein. See "Description of the Bonds—Redemption of the Bonds."

The Bonds are special limited obligations of the City payable from and secured solely by the Gross Revenues of the Light System and by money in the Parity Bond Fund and the Reserve Fund. The Bonds will be issued on a parity with \$1,299,755,000 par amount of Outstanding Parity Bonds (as of December 1, 2008) and any Future Parity Bonds. The Gross Revenues are pledged to make the required payments into the Parity Bond Fund and the Reserve Fund; this pledge is superior to all other charges upon the Gross Revenues except for reasonable charges for maintenance and operation of the Light System. Maintenance and operation charges include the unconditional obligation of the City to make payments under certain power purchase contracts, as more fully described in "Power Resources and Cost of Power—Purchased Power Arrangements." See "Security for the Bonds."

The Bonds do not constitute general obligations of the City, the State of Washington (the "State") or any political subdivision of the State, or a charge upon any general fund or upon any money or other property of the City, the State or any political subdivision of the State not specifically pledged thereto by the Bond Ordinance. Neither the full faith and credit nor the taxing power of the City, nor any revenues of the City derived from sources other than the Light System, are pledged to the payment of the Bonds.

The Bonds are offered when, as and if issued, subject to the approving legal opinion of Foster Pepper PLLC, Seattle, Washington, Bond Counsel. The form of Bond Counsel's opinion is attached hereto as Appendix B. It is expected that the Bonds will be available for delivery at the facilities of DTC in New York, New York, or to the Bond Registrar on behalf of DTC by Fast Automated Securities Transfer on or about December 30, 2008.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

Dated: _____, 2008

* Preliminary, subject to change.

This is a Preliminary Official Statement, subject to correction and change. The City has authorized the distribution of the Preliminary Official Statement to prospective purchasers and others. Upon the sale of the Bonds, the City will complete and deliver an Official Statement substantially in this form.